

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

In re)	PROMESA
)	Title III
)	
THE FINANCIAL OVERSIGHT AND)	No. 17-BK-3283 (LTS)
MANAGEMENT BOARD FOR PUERTO RICO,)	
)	Re: 20458, 20467, 20827
as representative of)	
)	
THE COMMONWEALTH OF PUERTO RICO)	
<i>et al.</i> , ¹)	
Debtors.)	(Jointly Administered)
)	

**SUPPLEMENTAL DECLARATION OF KATHERINE STADLER PURSUANT
TO THE PUERTO RICO RECOVERY ACCURACY IN DISCLOSURES ACT**

I, Katherine Stadler, hereby declare under penalty of perjury:

1. I am a shareholder with Godfrey & Kahn, S.C. (“**Godfrey & Kahn**”), a law firm with its principal offices at 833 East Michigan Street in Milwaukee, Wisconsin, and One East Main Street in Madison, Wisconsin, and other offices in Wisconsin and in Washington, D.C. I am authorized to make this Declaration on behalf of myself, the Fee Examiner Brady C. Williamson, and Godfrey & Kahn in compliance with the *Order*

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Approving List of Material Interested Parties Pursuant to the Puerto Rico Recovery Accuracy in Disclosures Act [Dkt. No. 20467] (the “**PRRADA Compliance Order**”), entered on March 30, 2022. This Supplemental Declaration is based on my personal knowledge and if called to testify, I could and would testify competently to the written statements made in this Declaration.

2. The Court appointed another firm shareholder, Brady C. Williamson (the “Fee Examiner”), in the October 6, 2017, *Order Pursuant to PROMESA Sections 316 and 317 and Bankruptcy Code Section 105(A) Appointing a Fee Examiner and Related Relief* [Dkt. No. 1416] (the “**Fee Examiner Order**”).

3. On October 26, 2017, I submitted the *Affidavit of Katherine Stadler in Conjunction with Godfrey & Kahn, S.C.’s Application for Appointment as Counsel to the Fee Examiner* [Dkt. No. 1548, Ex. A] (the “**Godfrey & Kahn Disclosure Affidavit**”).

4. On May 16, 2022, I submitted the *Declaration of Katherine Stadler Pursuant to the Puerto Rico Recovery Accuracy in Disclosures Act* [Dkt. No. 20827] (the “**Initial Godfrey & Kahn PRRADA Declaration**”).

5. On June 2, 2022, I received communication from the Office of the United States Trustee requesting clarification of certain of the disclosure items listed in the Initial Godfrey & Kahn PRRADA Declaration (the “**U.S. Trustee Inquiries**”). After discussions with the Office of the United States Trustee and further inquiries within my firm, I hereby supplement the Initial Godfrey & Kahn PRRADA Declaration with the attached Appendix B: Responses to Inquiries from the Office of the United States Trustee.

6. Other than as supplemented herein, all representations and disclosures in the Initial Godfrey & Kahn PRRADA Declaration remain true and correct.

Dated this 8th day of August, 2022.

GODFREY & KAHN, S.C.

s/ Katherine Stadler

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Counsel to the Fee Examiner

APPENDIX B

**RESPONSES TO INQUIRIES FROM THE OFFICE OF THE
UNITED STATES TRUSTEE**

Initial Godfrey & Kahn PRRADA Declaration Paragraph	Statement	Inquiry from the Office of the United States Trustee	Response
¶2	The Fee Examiner is a shareholder of G&K.	<p>Please more specifically identify Mr. Williamson's position, title, and financial interest in G&K.</p> <p>Is the compensation Mr. Williamson will receive as the Fee Examiner in these cases a source of revenue for G&K?</p> <p>Please identify what, if any, additional protections, or processes are in place (or that G&K would recommend be put in place) concerning the Fee Examiners review and examination of G&K's fee applications given that G&K is providing counsel to the Fee Examiner in these cases, and given that the Fee Examiner appears to have a direct economic interest in the approval of G&K's fees?</p>	<p>Godfrey & Kahn, S.C. is a Wisconsin Service Corporation established pursuant to section 180.1903 of the Wisconsin Statutes. Each Godfrey & Kahn shareholder has a financial interest in the overall financial performance of the firm and shares in the firm's profits based on a subjective year-end assessment of the firm's compensation committee (approved by the firm's board of directors) as to each shareholder's overall contributions.</p> <p>As disclosed in the initial retention papers [Dkt. No. 1548], the fee examiner charges a flat fee of \$17,500 per month for his work on these cases. The attorneys and paraprofessionals working on these cases charge their standard hourly billing rates for 2018. Neither the fee examiner nor his counsel has raised hourly rates (except in connection with attorney promotions) throughout the course of these proceedings. Both the Fee Examiner's fees and those of his counsel constitute revenue for Godfrey & Kahn, S.C., not individual revenue.</p>

Initial Godfrey & Kahn PRRADA Declaration Paragraph	Statement	Inquiry from the Office of the United States Trustee	Response
			Although the Fee Examiner is a member of Godfrey & Kahn, both Godfrey & Kahn and the Fee Examiner will exercise billing judgment to ensure that only those fees that are reasonable and necessary to the estate are included in Godfrey & Kahn's fee applications. Further, Godfrey & Kahn acknowledges (consistent with 28 U.S.C. 2176) that the United States Trustee has the statutory authority to review the fee applications and file any motion it deems appropriate regarding that compensation with the Court.
¶ 9	Appendix A includes a list of MIP with which G&K has a current or "recent" relationship.	What is "recent"? Please more specifically identify the lookback period that G&K used, including whether that lookback period was from the date of filing, date of employment, or the date of the PRRADA declaration.	Godfrey & Kahn disclosed relationships that existed as of October 2015—two years prior to the Fee Examiner's appointment and the commencement of work on these cases.
¶ 11	A shareholder of G&K, Paul Griepentrog, as trustee for a family trust, invested in a mutual fund that "previously held Puerto Rican government bonds." The disclosures indicate that G&K previously implemented an "ethical wall" for this representation.	Please further identify when the family trust stopped investing in the mutual funds that held Puerto Rican government bonds, and/or when the mutual fund excluded the Puerto Rican government bonds from the fund? Please also identify when the ethical wall established?	The family trust divested mutual funds that, in turn, held Puerto Rican Government bonds in late 2019. The ethical wall was established as of the date of Godfrey & Kahn's initial disclosures—October 26, 2017.

Initial Godfrey & Kahn PRRADA Declaration Paragraph	Statement	Inquiry from the Office of the United States Trustee	Response
Appendix A (p.16 of 17)	US Bank, NA – G&K states that its billings in the last 2 years to G&K were less than .5% of its revenues in 2015 and 2016.	Please provide the percentage of billings in comparison to more recent revenues than 2015 and 2016, preferably for 2020 and 2021. Alternatively, please explain why G&K believes the 2015 and 2016 revenues are the most appropriate period.	Data for 2015 and 2016 were disclosed because they were the two most recent calendar years relevant to the disclosure at the time of Godfrey & Kahn’s retention. For the years 2020 and 2021, billings to U.S. Bank, N.A. constituted less than one percent of annual firm revenues.
Appendix A (p.11 of 17)	Ernst & Young, LLP – G&K presently serves as co-counsel on unrelated transactional matters.	Please provide more detail concerning the co-counsel relationship with Ernst & Young, LLP, and describe in more detail the representation provided through that co-counsel relationship. Please also confirm whether any of the parties represented in those matters are involved in the PROMESA matters.	Ernst and Young serves as a financial advisor to a Wisconsin manufacturing client in a pending transaction on which Godfrey & Kahn serves as lead transaction counsel. Because Godfrey & Kahn’s conflicts database does not have a separate financial advisor party designation, the professional’s name appeared in the “Other/Co-counsel” field in the conflicts report. The manufacturing client is not involved in PROMESA matters.
Appendix A		Please identify any of the “interest parties” on Exhibit A to the declaration, or the matters on which G&K is employed in relation to those interested parties, that have or will constitute more than 1% of G&K’s annual revenues at any point since the filing of these cases.	None

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